

Selectmen's Meeting
Wednesday, November 17, 2021

Chairman Leslie Babb called the meeting to order at 7:45 AM. Present were Selectmen Leslie Babb, Ernie Day, and Melissa Florio, and Ellen White, Town Administrator, who recorded these minutes. This meeting was held at the Town Office. Also, present was Bill Elliott.

Tax Rate Setting:

The preliminary tax rate documents (attached to these minutes) were reviewed. Les stated \$80,000 was used from unreserved fund balance to fund the Capital Reserve accounts at Town Meeting and \$50,000 was used to reduce the 2020 tax rate. Ernie stated the \$50,000 was used to help offset the increase in assessed values from the revaluation. Les discussed the history of the fund balance which is now at a healthy level. It has been used in the past to help with unanticipated major purchases such as when the grader died and needed to be replaced. Having a healthy fund balance has also aided in the obtaining lower interest rates on the bonds used for Ossipee Lake Road and the Public Safety building.

Discussion on the impact of a fluctuating tax rate in relation to mortgage escrows. Estimated revenues are normally left unadjusted at tax rate setting time.

Last year's tax rate was \$10.67 per thousand, this year's estimated, using \$50,000 from fund balance to reduce the rate, will increase to \$10.85 per thousand. It was noted that the Public Safety building bond was paid in full this year. Ernie stated he is in agreement with the rate as projected, an overall increase of \$0.18 which would impact a \$100,000 home by \$36.00 per year while keeping the fund balance at a healthy 15.47% retainage.

Discussion on the current assessed values and preliminary equalization ratio of 74%. Values will level out at some point over the new few years.

Bill Elliott commented that the Selectmen are good stewards of the town funds and do a good job maintaining the tax rate.

Ernie made a motion to finalize the total tax rate at \$10.85 per thousand. Les seconded. All in favor, the motion passed unanimously. The Property Tax Levy in the amount of \$3,623,227 was presented for signatures.

Being no further input, Ernie made a motion to adjourn. Les seconded. All in favor, the motion passed unanimously.

Adjourned at 8:25 AM.

Respectfully submitted,
Ellen N. White, Town Administrator

Approved by the Board of Selectmen on _____:

Leslie R. Babb

Ernest F. Day, Jr.

Melissa M. Florio



2021
\$10.85

Tax Rate Breakdown
Freedom

Municipal Tax Rate Calculation			
Jurisdiction	Tax Effort	Valuation	Tax Rate
Municipal	\$2,587,430	\$657,946,874	\$3.93
County	\$652,532	\$657,946,874	\$0.99
Local Education	\$2,795,358	\$657,946,874	\$4.25
State Education	\$1,093,545	\$652,079,174	\$1.68
Total	\$7,128,865		\$10.85

Village Tax Rate Calculation			
Jurisdiction	Tax Effort	Valuation	Tax Rate
Freedom Village Water	\$0	\$18,060,560	\$0.00
Total	\$0		\$0.00

Tax Commitment Calculation	
Total Municipal Tax Effort	\$7,128,865
War Service Credits	(\$28,550)
Village District Tax Effort	\$0
Total Property Tax Commitment	\$7,100,315

Appropriations and Revenues

Municipal Accounting Overview

Description	Appropriation	Revenue
Total Appropriation	\$3,538,599	
Net Revenues (Not Including Fund Balance)		(\$854,391)
Fund Balance Voted Surplus		(\$80,000)
Fund Balance to Reduce Taxes		(\$50,000)
War Service Credits	\$28,550	
Special Adjustment	\$0	
Actual Overlay Used	\$4,672	
Net Required Local Tax Effort	\$2,587,430	

County Apportionment

Description	Appropriation	Revenue
Net County Apportionment	\$652,532	
Net Required County Tax Effort	\$652,532	

Education

Description	Appropriation	Revenue
Net Local School Appropriations	\$3,888,903	
Net Cooperative School Appropriations	\$0	
Net Education Grant		\$0
Locally Retained State Education Tax		(\$1,093,545)
Net Required Local Education Tax Effort	\$2,795,358	
State Education Tax	\$1,093,545	
State Education Tax Not Retained	\$0	
Net Required State Education Tax Effort	\$1,093,545	

Valuation

Municipal (MS-1)

Description	Current Year	Prior Year
Total Assessment Valuation with Utilities	\$657,946,874	\$652,134,439
Total Assessment Valuation without Utilities	\$652,079,174	\$646,967,439
Commercial/Industrial Construction Exemption	\$0	\$0
Total Assessment Valuation with Utilities, Less Commercial/Industrial Construction Exemption	\$657,946,874	\$652,134,439

Village (MS-1V)

Description	Current Year
Freedom Village Water	\$18,060,560

Freedom

Tax Commitment Verification

2021 Tax Commitment Verification - RSA 76:10 II

Description	Amount
Total Property Tax Commitment	\$7,100,315
1/2% Amount	\$35,502
Acceptable High	\$7,135,817
Acceptable Low	\$7,064,813

If the amount of your total warrant varies by more than 1/2%, the MS-1 form used to calculate the tax rate might not be correct. The tax rate will need to be recalculated. Contact your assessors immediately and call us at 603.230.5090 before you issue the bills. See RSA 76:10, II

Commitment Amount	
Less amount for any applicable Tax Increment Financing Districts (TIF)	
Net amount after TIF adjustment	

Under penalties of perjury, I verify the amount above was the 2021 commitment amount on the property tax warrant.

Tax Collector/Deputy Signature:

Date:

Requirements for Semi-Annual Billing

Pursuant to RSA 76:15-a

76:15-a Semi-Annual Collection of Taxes in Certain Towns and Cities - I. Taxes shall be collected in the following manner in towns and cities which adopt the provisions of this section in the manner set out in RSA 76:15-b. A partial payment of the taxes assessed on April 1 in any tax year shall be computed by taking the prior year's assessed valuation times 1/2 of the previous year's tax rate; provided, however, that whenever it shall appear to the selectmen or assessors that certain individual properties have physically changed in valuation, they may use the current year's appraisal times 1/2 the previous year's tax rate to compute the partial payment.

Freedom	Total Tax Rate	Semi-Annual Tax Rate
Total 2021 Tax Rate	\$10.85	\$5.43
Associated Villages		
Freedom Village Water	\$0.00	\$0.00

Fund Balance Retention

Enterprise Funds and Current Year Bonds	\$0
General Fund Operating Expenses	\$8,080,034
Final Overlay	\$4,672

DRA has provided a reference range of fund balance retention amounts below. Please utilize these ranges in the determination of the adequacy of your municipality's unrestricted fund balance, as currently defined in GASB Statement 54. Retention amounts, as part of the municipality's stabilization fund policy [1], should be assessed dependent upon your governments own long-term forecasts and special circumstances. Please note that current best practices published by GFOA recommend, at a minimum, that "...general purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." [2],[3]

[1] The National Advisory Council on State and Local Budgeting (NACSLB), (1998), *Framework for Improved State and Local Government Budgeting: Recommended Budget Practices (4.1)*, pg. 17.
 [2] Government Finance Officers Association (GFOA), (2009), *Best Practice: Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund*.
 [3] Government Finance Officers Association (GFOA), (2011), *Best Practice: Replenishing General Fund Balance*.

2021 Fund Balance Retention Guidelines: Freedom	
Description	Amount
Current Amount Retained (15.47%)	\$1,249,803
17% Retained <i>(Maximum Recommended)</i>	\$1,373,606
10% Retained	\$808,003
8% Retained	\$646,403
5% Retained <i>(Minimum Recommended)</i>	\$404,002